

SPRINGFIELD, OR— Today, U.S. Congressman Peter DeFazio (D-Springfield) announced a package of bills that will protect and preserve Social Security at an event attended by seniors in Springfield. DeFazio's legislation protects the Social Security Trust Fund from being raided, ensures that full Social Security benefits will be available to future generations, and helps seniors adversely affected by a faulty cost of living formula.

"We know that Social Security faces future challenges and the Republican majority is threatening it further with talk of privatization or benefit cuts," DeFazio said. "We can do better. Our seniors deserve better. We need concrete proposals that protect and preserve the security of our seniors. My bills will do that."

The Republican spending plan for the rest of 2011, which DeFazio voted against, cuts the Social Security administrative budget by \$1.1 billion. These cuts could easily delay assistance to seniors who need help with their Social Security benefits.

In addition, President Obama's Deficit Commission recommended increasing the retirement age to 69 and reducing benefits as potential "fixes" to Social Security. DeFazio's bills would ensure the fiscal soundness of Social Security without raising the retirement age or reducing benefits.

DeFazio has led the fight to stop the dismantling of senior programs like Social Security and Medicare, including the attempted privatization of Social Security by the Bush Administration and the Republican majority in 2005.

DeFazio Social Security Legislation

H.R. 796, the Social Security Protection and Truth in Budgeting Act

H.R. 796 protects the Social Security Trust Fund from attempts to artificially lower the massive federal deficit by preventing the federal government from raiding the Trust Fund. The bill returns the Trust Fund to its original purpose - paying benefits to the American seniors who paid into it their entire lives.

Background

DeFazio led the fight to stop the Obama-Republican plan to cut Social Security payroll taxes last fall. The tax cut will expose the Social Security Trust Fund to the deficit laden general fund and forces the federal government to borrow money to make up for the lost revenue. The lost revenue could jeopardize longer term solvency because of Republican refusal to close tax loopholes and revise the tax code.

H.R. 797, the No Loopholes in Social Security Taxes Act

H.R. 797 preserves the Social Security Trust Fund by closing a tax loophole so millionaires

would pay the same percentage of their salaries to Social Security as the average American worker. This will guarantee Social Security remains solvent for at least 75 years. Currently, 94% of Americans pay the Social Security tax on all of their income. The bill subjects all income over \$250,000 to the 6.2% Social Security tax rate, making sure that every American pays their fair share.

Background

As a presidential candidate President Obama stated, with regard to Social Security, “the best way forward is to first look to adjust the cap on the payroll tax... that way we can protect the promise of Social Security without shifting the burden onto seniors.” Obama’s idea for adjustment was to finally apply Social Security payroll taxes to all income above \$250,000. The No Loopholes in Social Security Taxes Act would help the President follow through on that campaign promise.

H.R. 798, the Consumer Price Index for Elderly Consumers Act

H.R. 798 sustains seniors dependent on Social Security by changing the formula used to calculate the COLA. Rather than rely on calculations based on the CPI-W, which uses the average cost of goods that urban working Americans buy, the COLA would use a new CPI-E index. The CPI-E would factor in goods seniors actually buy such as prescription drugs, utility bills and property taxes to calculate the COLA. Over the past two decades, the costs of these essential items have risen by 105%, while the current CPI-W rose by only 90%. Yet, Social Security recipients have not received a COLA the past two years. This bill will make sure that the COLA for seniors truly represents their cost of living.

Background

DeFazio has continually introduced this legislation since 2007 and had 71 cosponsors last year.

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